

# Enforcement of unfair competition and consumer protection laws by a private business association in Germany: the Wettbewerbszentrale

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Legal protection against unfair practices has, for historical reasons, produced different forms of legislation and thus ultimately different enforcement mechanisms in the EU Member States. National enforcement arrangements for the laws against unfair competition and the laws that protect consumers' interests are not harmonized at all. Art 11 of the Directive on Unfair Commercial Practices (UCPD) leaves it to the Member States

“to ensure that adequate and effective means exist to combat unfair commercial practices in order to enforce compliance with the provisions of this Directive in the interest of consumers. Such means shall include legal provisions under which persons or organisations regarded under national law as having a legitimate interest in combating unfair commercial practices, including competitors, may:

- (a) take legal action against such unfair commercial practices; and/or
- (b) bring such unfair commercial practices before an administrative authority competent either to decide on complaints or to initiate appropriate legal proceedings.”

Explicitly it is left to the Member States to decide which measures and enforcement schemes shall be established. Thus, with regard to different historical developments, there is a wide variety of enforcement systems in the EU Member States ranging from administrative to private law systems. In some Member States the protection of fair competition is enforced by administrative law and partly by means of criminal law. Other Member States have focused more on a private enforcement scheme; others have mixed elements of both private and administrative mechanisms in some way.

## The German system of protection against unfair competition

In Germany, protection against unfair commercial practices has been based on civil law for more than 100 years. Accordingly, the legal consequences of violations of fair competition and the enforcement of law are marked by

civil claims. A coherent, uniform regulation on unfair competition has existed for a long time. In 1909 the German legislator codified the Unfair Competition Act (Gesetz gegen unlauteren Wettbewerb, UWG). He rejected – unlike in the field of antitrust law – the idea of establishing an administrative surveillance and interventions of public authorities in the economic competition. Instead he left it to the competitors themselves to enforce the rules against unfair competition. Thus in Germany government authorities are not responsible for prosecuting violations of fair competition laws. Rather, the UWG gives competitors the right to take action for injunctive relief and damages regarding unfair competition. Such claims can be asserted in civil law proceedings before the civil courts. Interlocutory injunctions allow disputes to be solved rapidly by specialized courts at a relatively low cost.

However, as the prevention of unfair competition was found to be not only in the interest of the affected competitors but also in the general public's interest in undistorted competition, the legislators of the UWG created a legal action for associations as early as 1909. This kind of legal action was introduced into cartel law in 1965. Its purpose is to ensure legal prosecution of unfair competition, independent of individual interests. Associations of businesses, competitors and consumers can therefore seek court injunctions against unfair actions and practices that violate cartel law.

According to § 8 UWG, competitors, certain trade associations, chambers of commerce and consumer associations are authorized to enforce the law by their statutory right to action for injunctive relief. The *locus standi* of the so-called associations for promotion of commercial interests ('associations of undertakings') is subject to strict conditions. According to section 8(3) UWG the association must have a substantial number of companies as members who offer the same goods or services on the same market which is affected by the unlawful practice of the competitor. Further, the association must be staffed and equipped financially in such a way that it can fulfil its statutory tasks. Beyond this the right to action is

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only granted if the interests of the association's members are affected.

One of the experienced and most important institutions which has the right to initiate legal action against those traders and companies who infringe laws concerning unfair competition is the *Zentrale zur Bekämpfung unlauteren Wettbewerbs e.V.* (Centre for Protection against Unfair Competition: the so-called *Wettbewerbszentrale*).

## Establishment, structure and function of the *Wettbewerbszentrale*

The *Wettbewerbszentrale* was founded in 1912 by businessmen in Berlin, immediately after the UWG was passed. After the Second World War the association was re-established in 1949 in Frankfurt am Main. It is an independent German industrial institution which supports the self-responsibility of companies towards a fair and functioning market. It covers all sectors and branches of industry and is represented throughout the Federal Republic of Germany.

The *Wettbewerbszentrale* is a charitable non-profit association, registered with the Local Court in Frankfurt. Its members include many of the largest and best-known German companies as well as a number of international companies from diverse sectors of industry and commerce. In addition to about 1,200 companies, its membership includes 800 of the most important associations and organizations in the business community as well as economic and professional associations<sup>1</sup>. Its task is to promote fair competition through law enforcement, legal research, information services as well as legal advice.

The *Wettbewerbszentrale* is not a lobby or interest group. It does not represent the economic interests of individual industries or companies. Rather it is a self-regulatory institution for the entire business community with the task of protecting competition in the interest of the general public. It is therefore subject only to the competition laws currently in force. Neutrality and independence are the foundations of its activities and of the role its members think it should play. All legal decisions concerning the law enforcement are exclusively made by its managing directors. Neither the Steering Committee nor the Advisory Council may influence these legal decisions. Thus, it goes without saying that the Centre also takes action against its own members if they do not conform to the laws.

The *Wettbewerbszentrale* is not a consumer protection association. However, it ensures compliance with consumer protection provisions in the interests of the economy. Market behaviour that violates such provisions results in a distortion of competition to the detriment of competitors and consumers, since the protection of competition and consumer protection are two sides of the same coin.

## The means and activities of law enforcement

The Centre's activities are based on its authority to take legal action as an association under § 8 (3) No. 2 of the UWG and § 33 (2) of the GWB (Law against Restraints on Competition – Antitrust Law, *Gesetz gegen Wettbewerbsbeschränkungen*). Although it can investigate itself, the majority of its actions are taken at the request or, preferably, following the complaints of any third party. Complaints are received from members or non-members such as competitors, business associations, consumers and public authorities.

The most important instrument in legal practice to enforce the UWG is the claim for injunctive relief under § 8. It is directed to the defence of future violations and requires neither fault nor damage. The claim is satisfied if there is a risk or a likelihood of repetition of the infringement. A vast number of cases can be settled extrajudicially: if an infringement is identified or seems likely the *Wettbewerbszentrale* sends a "warning letter" with an enclosed "cease-and-desist-declaration" which contains a reasonable contractual penalty. This penalty is to be paid if the addressed company would repeat its UWG infringement. If the cease-and-desist-declaration is undersigned there is no need to call the courts. This way the defendant/infringer can avoid time-consuming and costly legal proceedings before the courts. Thus, the *Wettbewerbszentrale*'s common procedure of sending an extrajudicial warning letter leads to a massive relief of the courts. Those out-of-court proceedings have proven extremely effective: on average a dispute can be settled in only two to four weeks.

If there is no settlement, the *Wettbewerbszentrale* has the right to claim for injunctive relief at the higher court of first instance (*Landgericht*) or to initiate an arbitration procedure before at the arbitration boards established by the local Chambers of Commerce and Industry in numerous cases. In a considerable number of cases, enforcement is carried on by preliminary injunctions within hours or a few days.

<sup>1</sup> The membership fees of the companies depend on the annual turnover, the membership fees of the trade associations varies according to the annual budget of the association.

The primary aim pursued by the Wettbewerbszentrale is the out-of-court settlement of competition law breaches and amicable dispute resolution. The arbitral proceedings conducted in 2013 before the Board of Conciliation of the regional Chambers of Commerce, which numbered around 400, once again reported a very high settlement rate. The advantage offered by these arbitral proceedings is that competition law disputes can be discussed with the expertise of businessmen and women who are appointed as arbitrators, and amicable solutions may be achieved without involving the courts (including the related costs). Alongside the legal expertise, these proceedings always incorporate practical experience from the economy directly into the arbitral proceedings.

Nonetheless, the Wettbewerbszentrale had to pursue a total of more than 300 court proceedings in 2014. In about 90% of cases, the Wettbewerbszentrale won the legal dispute either outright or in part and the challenged conduct was ended.

### Cross-border activities

The Wettbewerbszentrale is also involved in cross-border cases. Beyond the regular complaints of the market participants the association is in a way involved in the European CCP network. The European Union has created a network of authorities with central liaison offices in all the Member States, which are intended to take action against cross-border violations of consumer protection provisions.<sup>2</sup> The Federal Office for Consumer Protection and Food Law (BVL) functions as the central liaison office in Germany. However, in contrast to most other Member States, the BVL generally does not take direct action in cases of cross-border violations of fair competition laws, but incorporates the efficient national private law enforcement system, which has been functioning for years, into its legal actions. This occurs in the following way: the BVL asks the Wettbewerbszentrale, among other consumer association, to stop the violation in its own name according to a framework agreement.<sup>3</sup> Germany also uses in the area of cross-border infringements its tried and tested civil system.

2 Enforcement is based on the European Regulation on Consumer Protection Cooperation (2006/2004).

3 For details on the Wettbewerbszentrale's activities in this field see the report for 2011 and 2012 of the Federal Office for Consumer Protection (BVL): [www.bmfv.de/SharedDocs/Downloads/DEpdfs/Verbraucherschutz/Berichte\\_Allgemein\\_CPC/Bericht\\_2011\\_2012.pdf?\\_blob=publicationFile](http://www.bmfv.de/SharedDocs/Downloads/DEpdfs/Verbraucherschutz/Berichte_Allgemein_CPC/Bericht_2011_2012.pdf?_blob=publicationFile) Since 2014 the relevant department for economic consumer protection of the BVL has been integrated in the Federal Ministry of Justice and for Consumer Protection.

### A look at the case practice of the Wettbewerbszentrale<sup>4</sup>

Through its activities in its long history, the Wettbewerbszentrale has made a major contribution to clarifying legal questions in the area of fair competition law. Since 1953, it has brought over nearly 500 cases to the German Supreme Court and a number of important cases to the Court of Justice of the European Union (CJEU). Thus it has assumed an active role as an “engine for development of the law”<sup>5</sup>

The work of the Wettbewerbszentrale in the area of competition and anti-trust law is extremely varied: queries and complaints related to various sectors, such as for example health and food, energy, banks and insurers, the automotive sector, security or telecommunications, tourism, e-commerce and the retail sector, to name but a few. More than 60% of its cases in the past year related to misleading and non-transparent advertising and to non-compliance or inadequate compliance with duties to provide descriptions and information for the consumer. The Wettbewerbszentrale also worked on 215 cases involving misleading and aggressive business practices that are prohibited per se (known as “blacklist cases”, see Annex to § 3(3) UWG). Further, the self-regulation institution had to deal with a number of breaches of market conduct rules. 27.1% of cases processed by the Wettbewerbszentrale in 2013 involved breaches of market conduct rules. These involved professional regulations such as eg craft or trade regulations as well as business-related or product-related regulations, egf the Packaging Regulation (Verpackungsverordnung), and the German Drug Advertisement Act (Heilmittelwerbegesetz, HWG). These regulations, which are laid down in special legislation, in most cases also serve the purpose of consumer protection. For example, the purpose of the HWG is to protect both the general public and the health of individuals. Individual consumers should thus be protected against particular advertising practices within the drug advertising sector.

### Vertical distribution restrictions and the internet

The permissibility of restrictive agreements is determined with reference to the question as to whether and

4 This is only a very small excerpt of the numerous complaints and cases the Wettbewerbszentrale deals with. For further information and cases please have a look at the annual report which can be downloaded on the Wettbewerbszentrale's homepage: <https://www.wettbewerbszentrale.de/de/publikationen/jahresberichte>.

5 An overview of the Wettbewerbszentrale's history, development and its cases that have been decided by the Federal Supreme Court is given in the Anniversary publication “100 Jahre Wettbewerbszentrale”, Deutscher Fachverlag 2012, ISBN 978-3-8005-1558-5.

to what extent manufacturers, including in particular manufacturers of branded goods, are able to limit or exclude the sale of goods over internet platforms in supply contracts with traders. In 2013, the Wettbewerbszentrale successfully conducted proceedings on this basis before the Kiel Regional Court and in the second instance before the Oberlandesgericht Schleswig as the court of appeals. A manufacturer of camera products had imposed an unconditional prohibition in its supply contracts on sales over internet platforms such as eBay or Amazon Marketplace. The Wettbewerbszentrale regarded the exclusion of internet platforms as a sales channel as a hardcore restriction of competition, which cannot be exempted from the ban on restrictive practices. The court of first instance as well as the Court of Appeals accepted this view. They considered that dealers had been prevented from reaching customers which, for reasons of convenience, bought products on the internet over platforms and market places (Oberlandesgericht Schleswig, judgment of 5.6.2014 (ref. 16 U (Kart) 154/13). In a comprehensive balance of interests of the producers, the consumers and the dealers the court decides that the exclusion of distribution platforms purposes and effects a restriction of competition and is contrary to antitrust law.

In the area of selective sales systems, the Berlin Court of Appeal considered that the inclusion of a prohibition in supply contracts on the sale of goods over internet platforms is in principle permissible. A manufacturer of school bags and rucksacks had established a selective sales system in order to market its goods, and prohibited traders from offering the goods for sale on internet platforms. Since this was done in order to maintain the brand image, the court did not object in principle to the contractual provision concerned. In the specific case, it nonetheless allowed the action for an injunction brought by a trader. The manufacturer had also sold its goods through discount food retailers, and thus did not apply the selective contractual system in a non-discriminatory manner (Berlin Court of Appeal, judgment of 19 September 2013, ref. 2 U 8/09 Kart; an appeal is pending before the Federal Court of Justice as case KZR 79/13). Ultimately, the CJEU will have the final say.

### Tourism and booking portals

As in 2013 also in 2014 there were some cases against Internet booking portals for air travel. A portal operator had not provided the final price including all fees and

tax during the booking process as required by law. Rather, a compulsory fee for the payment method as well as a so-called “service fee” were only mentioned at the end of the booking process. This contradicts the price advertising rules for air travel according to Art. 23 of Regulation 1008/2008. The District Court of Hamburg confirmed the injunction of the Wettbewerbszentrale (judgment of 13/01/2014; ref. 408 HKO 102/13).

Another company had campaigned on the basis that it was “Germany’s best Travel Portal”. To justify the statement the company based its claim on a study of the University of Rosenheim. However, this study found only a minimal projection of 2 percentage points in comparison to the second place participant of the test. Further, other neutral travel portal tests had had found much better results for other portals. In so far there was no distinct advance which could justify the companies campaign and the Wettbewerbszentrale claimed successful for preliminary injunction before the Munich District Court (Landgericht München I, order of 14/7/2014, ref. 33 O 12924/14).

Other complaints were addressed to the Wettbewerbszentrale concerning the Dutch operator of the portal [www.booking.com](http://www.booking.com). With regard to certain accommodation offers the company had drawn on the internet to a limited availability of hotel rooms with the statement “Last chance! We have one room.” Thus a certain pressure was specifically created to take the offer quickly. However, the reality was that a number of equivalent hotel rooms were available for booking on other booking channels. With regard to the warning letter of the Wettbewerbszentrale [booking.com](http://www.booking.com) undersigned the cease-and-desist-declaration.<sup>6</sup>

The Wettbewerbszentrale was also forced to take action against the German airline Lufthansa. The enterprise had presented the “Lufthansa Senator Credit card” in a sales letter, raising the prospect of a bonus of 10,000 miles as a prize in the event that this product was applied for. However, a customer who applied for the product in accordance with this advert was informed that only 5,000 bonus miles would be credited, rather than the 10,000 promised. The customer was thereafter informed in correspondence that the bonus of 10,000 price miles was only valid for the product “Senator Credit Card World business”. This distinction was not apparent, either in the text of the sales letter or in the accompanying explanation. The Wettbewerbszentrale objected to the advertisement for this reason. In this case, too, it was not necessary to involve the courts, as Deutsche Lufthansa AG undertook to desist from the activity.

<sup>6</sup> Similar statements had been complained about by the Netherland’s Reclame Code Commissie (RCC); ref. Dossier 2014 00190.

## Finance and insurance

At the request of the Wettbewerbszentrale the Düsseldorf Court of Appeals banned the advertisement of the Santander Bank for a so-called “Top Savings Account”. The Bank had advertised for a promotion on the Internet homepage with the eye-catcher slogan “Now 2.25% p.a. interest – coolly calculated, good benefits” – Now secure return!” The problem was that this interest rate of 2.25% was only paid up to the invested amount of 5,000 Euros. For any further amounts the bank provided interest only at the rate of 0.25 to 1%. The consumer were informed about these restrictions too late, after some more clicks on the internet in connection with the account opening. The Court of Appeal judged that those restrictions of the offer have to be disclosed to the consumer on the first site when promoting the offer in an eye-catching way (Court of Appeals Düsseldorf, judgment of 29/8/2014, ref. I 20 U 175/13).

In two cases the Wettbewerbszentrale objected to advertising for financial investments. In one case, a car finance bank advertised a term deposit at an interest rate of up to 1.6% and stated that any amount of between EUR 5,000 and EUR 250,000 could be invested. In fact, an interest rate of 1.6% was advertised for fixed terms, but only for deposits above EUR 25,000. The Wettbewerbszentrale objected to this practice as misleading because the impression was created, in particular through the reference to a minimum investment, that the interest rate advertised was already available from these minimum deposits. The bank subsequently issued a cease and desist declaration.

In another case, a car finance bank advertised instant access deposits at an interest rate of 1.5% with the reference: “More right from the first day – that’s a promise! We don’t have any minimum deposit and no interest rate limit. At X-Bank you’ll get 1.5% per year from the first to the last cent”. It was only on the bank’s FAQ page that it was stated that the interest rate advertised was variable and could be altered at any time by an online notice. The Wettbewerbszentrale objected to this practice as misleading, because a sole reference on the FAQ page to this information, which was essential for the customer, was insufficient. The bank refused to issue a declaration of discontinuance and the Wettbewerbszentrale brought a claim before the Düsseldorf Regional Court.

## Electronics and telecommunication

In relation to electrical and electronic goods, the Wettbewerbszentrale has dealt with cases in which the devices presented to customers in the shop do not display all of the technical features stated in the promotional

description. It objected to advertising for a flat-screen LED television which stated that it was equipped with a DVB-T-, -C and -S tuner. The television advertised was not in fact equipped with such a tuner. The Flensburg Regional Court regarded the advert as a significant breach of competition law and issued an injunction against the enterprise (Flensburg Regional Court, order of 3 January 2013, ref. 6 O 1/13).

The advertising of an electronics store chain with the slogan “Everything radically reduced. You can save up to 35%!” had to be prohibited as misleading; as it turned out, only the exhibits were actually reduced. Other products like software or printer cartridges were just the normal price. As the company didn’t accept the Wettbewerbszentrale’s warning letter the regional court of Frankfurt am Main had to order the company to stop the campaign (judgment of 16/04/2014, ref. 3–08 O 167/13).

The Düsseldorf Court of Appeal decided that an advertisement for a games console stating its price must also mention the price of the additional mandatory mobile phone contract along with its costs (Düsseldorf Court of Appeal, judgment of 5 November 2013, ref. I-20 U 92/13; F 2 0227/12). Vodafone GmbH had advertised the PlayStationVita 3G/Wi-Fi on its website with a prominent reference to the price of EUR 49.90. However, the rider “with Mobile Internet Starter” was written underneath the price. It was only stated on a sub-page that the device could only be purchased in conjunction with a mobile phone contract, which was associated with additional monthly costs of EUR 19.99 over a term of 24 months plus an up-front payment of EUR 29.99. The Düsseldorf Court of Appeal held that the advertisement was misleading (§ 5(1), sentence 2, no. 2 UWG). When offering a games console, which could in principle be operated also without mobile phone access, the consumer does not expect that, in addition to buying the console, he or she will also have to conclude a mobile phone contract.

In another case the Koblenz Court of Appeal upheld the order against 1&1 Internet AG, one of the leading internet companies in Germany, by the Koblenz Regional Court on the grounds of misleading price advertising in a television advert and on the internet (Koblenz Court of Appeal, judgment of 8 May 2013, ref. 9 U 1415/12; DO 1 0586/13). The enterprise had advertised an all-net flat package on television and the internet for EUR 29.99 per month, next to a crossed-out price of EUR 39.99. At the same time the advertisement featured a Samsung mobile phone for EUR 0.00. However, any person who wished to acquire the tariff with a smart phone for EUR 0.00 discovered that EUR 39.99 per month and not EUR

29.99 were payable for the combination offer over 24 months.

### Health insurance industry

In its judgment of 3 October 2013, the CJEU ruled that advertising for members of a health insurance fund is subject to competition law (Case C-59/12). The Wettbewerbszentrale objected to the advertisement for the health insurance fund as misleading and eventually brought a claim. The fund had asserted to its own members that any person who left the fund would be tied in to the new health insurance fund for 18 months, and hence the members would miss out on attractive premiums and eventually lose out were the new fund to charge an additional levy. It failed to mention that the consumer has a special right of termination if an additional levy is charged. While the German Federal Supreme Court was minded to accept that the practice was misleading, it was nonetheless uncertain whether the health insurance fund was acting as a trader and was subject to the provisions of the UWG. It thus made a reference for a preliminary ruling to the CJEU concerning the interpretation of the term “trader” within the meaning of the UWG. In its decision, the CJEU noted that EU law conceptualised the term “trader” in very broad terms and neither institutions pursuing a task in the general interest nor public law institutions are exempt. The CJEU also pointed to the preamble to the Directive, which indicated that it should provide a high common level of consumer protection. This decision is of major importance because it has now been established that advertising by health insurance funds must also comply with the provisions of the UWG.

In another case, a company health insurance fund advertised using the seal “top health insurance fund”, stating an issue of *Focus Money* as the source. In this issue, *Focus Money* had indeed examined and graded numerous health insurance funds. However, the advertising health insurance fund was not mentioned. During the pre-trial correspondence, the defendant stated that the *Focus Money* article had noted that further information relating to the assessment was available on a website. After considerable research, it was discovered that this website contains a table under the heading “The top 15 regional [funds]”. The defendant health insurance fund could be found there ranked 15th, having achieved 18 points in the ranking. The best health insurance fund, a general health insurance scheme (AOK), had achieved 86 points. The Wettbewerbszentrale considered first that

the source could not be easily found and secondly that, given the significant gap between 15th place and the leading positions, the designation as a “top health insurance fund” was inaccurate and thus misleading. Since the health insurance funds did not issue any cease and desist declarations, the Wettbewerbszentrale brought a claim before the Darmstadt Regional Court.

### Foodstuffs Health Claim Regulation

Numerous complaints received by the Wettbewerbszentrale concerned cases of misleading food labelling and the advertising of foodstuffs (in particular medicinal mushrooms, coffee, tea, other beverages and dietary supplements) with illegal health claims such as “reduces the feeling of stress” and “anti-inflammatory effect”. According to Art. 10 Health Claims Regulation 1924/2006 health claims may only be used if they are approved. In several cases companies issued a declaration of discontinuance to the Wettbewerbszentrale.<sup>7</sup>

### The spectrum of work beyond law-enforcement: advice, information and instruction

In parallel with these enforcement duties, the spectrum of work performed by the Wettbewerbszentrale has considerably expanded: apart from giving its members increased legal advice, the Wettbewerbszentrale has also established extensive information services and seminars/workshops for lawyers and undertakings, periodicals and online services as the monthly published review on judgements and legal literature according to competition and consumer protection. Many member companies which are certainly advised by their law firms do additionally let check their advertising campaigns by the lawyers of the Wettbewerbszentrale. There is a permanent exchange between the staff and the members of the Wettbewerbszentrale.

Moreover, a large part of the work of the Wettbewerbszentrale at present consists of providing advice within the framework of national and European legislative proceedings. Not only the UWG itself, but numerous ancillary competition-related laws and consumer protection provisions have been repeatedly amended in recent years and, at times, harmonized with European law. In particular, the Wettbewerbszentrale, as an institution involved in fair competition practice, has been repeatedly included in the evaluation and coordination process by the relevant ministries concerning the

<sup>7</sup> See for example CJEU, Case C-609/12 – *Ehrmann v Zentrale zur Bekämpfung unlauteren Wettbewerbs e.V.*

enforcement of various provisions and areas such as health care, tourism, justice, and the economy.

### **Competition, control and complementary benefits**

The Wettbewerbszentrale has proved to be very efficient in solving a large number of cases without effort of the state and a number of authorities. Certainly tens of thousands of cases are annually solved in this way by the competitors themselves or the associations with their *locus standi*. This is funded entirely by the industry itself and not by taxpayers. Further, the efforts to reach voluntary and amicable solutions lead to a noticeable relief of the courts: In our experience the majority of about 70% of the cases are resolved without recourse to the courts.

Due to the inclusion of the competitors as a complainant or plaintiff in this system of economic self-regulation there is given an extremely high density of control: Unlike the consumers or a public authority competitors will immediately recognize unfair commercial practices of their competitors because they do know

their markets, the products and the competition and observe them continuously. They will see immediately whether the competitor is misleading as to the prices or the quality and can intervene quickly. At this point it seems to be clear that consumers and companies have congruent interests: neither wishes to be disadvantaged by deceptive practices. In so far as the claims of the Wettbewerbszentrale (in the vast majority initiated by complaints from the industry) lead directly to an effective protection of the consumers. In so far protection of competitors and protection of consumers go hand in hand.

On the other hand the private enforcement of unfair competition and consumer protection law can be restricted in cases of fraud based on criminal activity. In these cases public authorities (in Germany especially the public prosecutor's Office) are required to bring the perpetrators to justice. In contrast to the Wettbewerbszentrale, the authorities have the necessary powers of constraint. Thus both the private enforcement system and the enforcement by public authorities can be complementary in a very effective way.

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